



Congressman
John M. McHugh

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**McHUGH SAYS CONGRESS & POSTAL IG ARE KEEPING AN EYE ON USPS'
HANDLING OF RELOCATION BENEFITS AND OTHER WASTE AT THE AGENCY**

Chairman McHugh: Waste at the USPS Drives Up Stamp Prices

WASHINGTON -- Rep. John M. McHugh (R-NY), Chairman of the House Subcommittee on the Postal Service, says an audit he asked the U.S. Postal Service Office of Inspector General to conduct reveals that the USPS abused its authority to pay relocation benefits to employees when two high-level executives were paid \$248,000 last year for local moves that did not involve a transfer in duty station. Based on the IG's audit, Postal Service management and the Presidentially-appointed Postal Service Board of Governors were forced to drastically change the agency's relocation benefits policy.

"There's good and bad-news here. The good news is that Congress created an independent Office of Inspector General of the Postal Service in order to have a fair process of review and investigation of the agency," Rep. McHugh said. "The bad news is that more than \$1.1 billion in postal consumer funds has been wasted and abused by the Postal Service. That's more than enough work to keep the new IG busy.

"Perhaps one of the most troubling examples has been the inappropriate payment of relocation benefits to top executives in order to get around statutory limits on salaries."

Rep. McHugh asked the IG to review the matter late last year when his office received an anonymous complaint alleging misuse of the relocation benefit. The preliminary audit released last month revealed that the relocation expenses were paid as part of an incentive plan and were deviations from postal policy. The IG found the benefits exceeded the relocation packages offered to executives by private industry and other government agencies. In addition, the IG concluded that the benefits could be perceived as a way to circumvent the agency's statutory limits on employee compensation.

A full report from the IG on the Postal Service's relocation benefit program and other special benefits for executives is forthcoming.

"At a time when the Postal Service is requesting a series of rate increases, this sort of mismanagement may undermine the postal consumer's confidence in the agency's ability to operate efficiently," Rep. McHugh said.

Rep. McHugh is the author of comprehensive postal reform legislation that would better protect the public interest by establishing a Postal Regulatory Commission to strengthen and improve oversight of the USPS. The bill, H.R. 22, the Postal Modernization Act, would update our nation's postal laws to help preserve mail delivery across the country by helping the agency modernize, while also forcing it to shed many of its government protections so that it does not have an unfair competitive advantage over its private sector competitors.

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